

Message Text

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PAGE 01 TORONT 00605 252101Z

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TAGS: ENGG, ETRD, CA

SUBJ: ONTARIO ENERGY MINISTER HITS GOVERNMENT SIPHONING OF PREVIOUS
OIL/GAS INCREASES

REF: TORONTO 0599, APRIL 24

1. IN SPEECH TO CANADIAN RESTAURANT ASSOCIATION APRIL 22, ONTARIO ENERGY MINISTER DENNIS TIMBRELL EXPANDED ON ONTARIO'S OPPOSITION TO INCREASES IN OIL AND NATURAL GAS PRICES. HE SAID PREMIER DAVIS WENT TO OTTAWA PREMIERS' CONFERENCE NOT ONLY WITH COMMITMENT OF RECOVERY-INDUCING EXPANSIONARY PROVINCIAL BUDGET (BASED IN PART ON STABLE ENERGY COSTS) BUT WITH EXPERIENCE OF 71 PERCENT INCREASE WHICH RESULTED FROM 1974 PREMIERS' CONFERENCE. TIMBRELL SAID ONTARIO AGREED AT THAT CONFERENCE TO INCREASE BASED ON GOC ARGUMENTS ABOUT NEED FOR PRODUCTION INCENTIVES TO ASSURE RELIABLE DOMESTIC SOURCING. HOWEVER, ONTARIO ANALYSIS FOUND THAT OF INCREASE IN CONSUMER COST OF 1.8 BILLION DOLLARS IN FOLLOWING YEAR, BASED ON 670 MILLION BARREL PRODUCTION, 600 MILLION DOLLARS WENT TO GOC, 1.1 BILLION DOLLARS TO PRODUCING PROVINCES AND LESS THAN 5 PERCENT QUOTE WAS PERMITTED TO HAVE ANY RELEVANCE TO INCREASING THE SUPPLY OF OIL. TOO MANY
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PAGE 02 TORONT 00605 252101Z

GOVERNMENT BUCKETS WERE DIPPED INTO THE BARREL. THE

INCREASE BECAME NOTHING MORE THAN TAX IMPOSED ON ENERGY CONSUMERS UNQUOTE. TIMBRELL SAID NATURAL GAS INCREASES WENT THE SAME WAY.

2. TIMBRELL LED INTO OIL/GAS ISSUED VIA DISCUSSION OF ONTARIO GOVERNMENT POLICY OF DELIVERING ELECTRIC POWER AT COST. HE STATED ELECTRIC RATE INCREASES HAD BEEN AND WILL CONTINUE TO BE UNAVOIDABLE BUT THAT QUOTE USERS ARE PAYING AUDITED COSTS-NO MORE. NOBODY IS TAKING OFF A SLICE FOR THEIR GOVERNMENT TREASURY OR THEIR SHAREHOLDER RETURN UNQUOTE.

3. TIMBRELL TOUCHED ON ONTARIO'S NEED TO IMPORT FOSSIL FUEL FROM THE US AND THE WESTERN PROVINCES TO THE EXTENT OF 80 PERCENT OF ONTARIO ENERGY USE. WHILE HE NOTED THE PROVINCE HAS 80 PERCENT OF PROVEN CANADIAN URANIUM RESERVES AND THUS 16 PERCENT OF WORLD'S HE EMPHASIZED THE 10 YEAR LEAD TIME FOR NUCLEAR GENERATING PLANTS. HE NOTED THE JUMP FROM PROVINCE'S PRESENT 17,000 MEGAWATT INSTALLED CAPACITY TO THE 42,000 MEGAWATTS LIKELY TO BE NEEDED IN LESS THAN TWENTY YEARS REQUIRES PRECISE PLANNING.
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